

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

|  |   |  |                      |
|--|---|--|----------------------|
| (1) DEPARTMENT<br>Parks and Recreation   | (2) MEETING DATE<br>10/4/2016               | (3) CONTACT/PHONE<br>Nick Franco / 781-5204  |                      |
| (4) SUBJECT<br>Provide direction regarding the future use of El Chorro Regional Park within available water resources, including a plan for implementing immediate revenue producing features and long term master planning; and discussion and direction regarding the San Luis Obispo (SLO) Botanical Garden.  |   |  |                      |
| (5) RECOMMENDED ACTION<br><br>1. Direct staff to pursue plans for implementation of immediate and reversible installation of removable features to facilitate event use on the driving range and provide camping on level, prepared areas within the golf course.<br><br>2. Develop a Master Plan for El Chorro Regional Park that considers the entire park, includes input from the community and stakeholders, analyzes the areas of opportunity combined with a business case for alternatives, and includes the specific issues of water limitations and consideration of the SLO Botanical Garden's Master Plan and zip line proposal. |   |  |                      |
| (6) FUNDING SOURCE(S)<br>N/A   | (7) CURRENT YEAR FINANCIAL IMPACT<br>\$0.00 | (8) ANNUAL FINANCIAL IMPACT<br>\$0.00  | (9) BUDGETED?<br>Yes |
| (10) AGENDA PLACEMENT<br><input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input checked="" type="checkbox"/> Board Business (Time Est. <u>45 mins</u> )  |   |  |                      |
| (11) EXECUTED DOCUMENTS<br><input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A  |   |  |                      |
| (12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)  |   | (13) BUDGET ADJUSTMENT REQUIRED?<br>BAR ID Number:<br><input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A |                      |
| (14) LOCATION MAP<br>N/A   | (15) BUSINESS IMPACT STATEMENT?<br>No       | (16) AGENDA ITEM HISTORY<br><input checked="" type="checkbox"/> N/A    Date: <u>2/28/06</u> and <u>5/17/16</u>                           |                      |
| (17) ADMINISTRATIVE OFFICE REVIEW<br>David E. Grim   |   |  |                      |
| (18) SUPERVISOR DISTRICT(S)<br>District 2  |   |  |                      |

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Parks and Recreation / Nick Franco / 781-5204

DATE: 10/4/2016

SUBJECT: Provide direction regarding the future use of El Chorro Regional Park within available water resources, including a plan for implementing immediate revenue producing features and long term master planning; and discussion and direction regarding the San Luis Obispo (SLO) Botanical Garden.

## **RECOMMENDATION**

1. Direct staff to pursue plans for implementation of immediate and reversible installation of removable features to facilitate event use on the driving range and provide camping on level, prepared areas within the golf course.
2. Develop a Master Plan for El Chorro Regional Park that considers the entire park, includes input from the community and stakeholders, analyzes the areas of opportunity combined with a business case for alternatives, and includes the specific issues of water limitations and consideration of the SLO Botanical Garden's Master Plan and zip line proposal.

## **DISCUSSION**

The Board of Supervisors directed staff on May 17, 2016 to develop a short term, medium term, and long range plan for the future of Dairy Creek Golf Course and return to the Board with the costs, benefits and timeframes for those plans. The specific motion was as follows:

*The Board determines the use of potential potable water to irrigate the golf course should not be considered during a drought and when whale rock water is not available; that the golf course remains an enterprise fund to track its profit and loss separately from other aspects of Department of Parks and Recreation operations; affirms the commitment to keep the golf course operational and directs staff to develop a short-term plan to keep operating Dairy Creek Golf Course and the other two county maintained golf courses with a subsidy of as much below \$485,000 a year as feasible; explore the medium and long-term options that might occur at Dairy Creek Golf Course including the possibilities of increased recycled water and on-site storage, new types of turf that would reduce water use, and a campground and event center; do not pursue operation of the golf program by a management company; and out of those possibilities, return to the Board to address costs, benefits and timeframes.*

This report is organized around the Board direction given and includes the following:

- An overview of existing park features;
- An update on the current water situation since the May 17, 2016 meeting;
- An update on the recommended course of action to maintain golf as an enterprise fund and minimize the need to use up to \$485,000 annually in General Fund support;
- A short term plan for immediate implementation;
- A medium term plan to include reversible and removable features relative to event use and overnight camping;
- A long term plan to develop a Master Plan for the park; and
- An update on the current status of the proposal for a zip line project for the San Luis Obispo Botanical Garden.

The focus of this report is the need to complete a Master Plan for the park, as well as immediate implementation of certain reversible revenue-generating opportunities. As staff considered options for maintaining the golf course as an 18-hole course as well as options for re-purposing the golf course for other recreational uses, it became clear that these issues expanded beyond just the golf course. Water is clearly the driving factor behind the issues at the park and approximately 10 acre feet of CMC effluent water is used annually by the park outside of the golf course including the softball fields and the Botanical Garden.

Further, as staff considered the uses in the park, it became more apparent that there is a lack of integration of facilities between the golf course, campground, picnic area, dog park, playground, and Botanical Garden. Many golfers are unaware that the other facilities existed in the same park. Similarly, many campground users are unaware of the clubhouse restaurant or the Botanical Garden. Staff feels that visitation can be increased by developing a Master Plan that takes a holistic view and integrates the assets and opportunities in the entire park in a way that meets the needs and desires of the whole community.

Completing a Master Plan for El Chorro Regional Park is also consistent with the County General Plan's Parks and Recreation Element, which requires preparation of a Master Plan to protect sensitive natural resources and determine appropriate recreational uses.

### **Overview of Existing El Chorro Regional Park Facilities**

El Chorro Regional Park was acquired in 1972 through a no fee transfer of the property from Camp San Luis Obispo to the County of San Luis Obispo through the Department of the Interior for the purpose of a public park and public recreational area, and for these purposes only. The deed required the County to define the uses contemplated for the property and use is restricted to these defined facilities. The uses identified include:

- Picnic sites
- Group picnic areas
- Softball fields
- Game courts for volleyball, basketball and horseshoes
- Archery and skeet range
- Multi-use arena
- Wildlife sanctuary
- Organization camping area
- Stables
- Arboretum
- Golf Course
- Amphitheater
- Overnight campground
- Playground
- Mini-Bike and Motorcycle Area (only until a golf course was developed)

The park has developed most of these features, including:

- Picnic sites including dog park
- Group picnic areas
- Softball fields
- Volleyball court and horseshoes
- Arboretum (Botanical Garden)
- Golf Course including restaurant and pro shop
- Overnight campground
- Playground
- Wildlife sanctuary including trails and open space

### **Public Workshop**

The Department of Parks and Recreation contracted with Staples Golf Design to provide an assessment of Dairy Creek Golf Course and outline the possible short, medium, and long term plans for the future of El Chorro Regional Park, including the golf course, in light of the limited water availability as discussed in the May 17, 2016 Board Meeting. As part of the process to understand options that can be considered, a public workshop was held on the evening of August 22, 2016. The public and stakeholders were invited to attend and there were over 170 attendees that included those interested in golf, Botanical Garden supporters, members of the Parks and Recreation Commission, disc golf players, wildlife rescue advocates, and others interested in mountain biking, zip lining, and recreational golf cart use. The main themes to come from the meeting include:

- Strong interest in the water allocation issues and the desire for additional water; also the need to provide more information about the limited availability of water.
- Support for keeping 18 holes or as many holes open as possible
- Interest in additional uses on and around the course including disc golf, events, hiking and biking, and other park services
- Strong interest in additional public workshops

### **Water availability**

As was detailed in the May 17, 2016 Board report, Dairy Creek has seen a very significant drop in delivery of effluent water from the California Men's Colony (CMC) wastewater facility, the primary source of water for irrigation. On September 6, 2016, the Department of Parks and Recreation was notified that for the foreseeable future, there would be no water delivery to the park from CMC between May 1<sup>st</sup> and November 30<sup>th</sup>. This limits water availability to only that in useable storage on site (approximately 70 acre feet) for the summer and fall months.

The current golf course includes approximately 89 acres of irrigated turf. Based on the expected water availability for the foreseeable future, there is only enough water to irrigate 35 to 40 acres of turf. With this amount of water, it is not possible to maintain a viable 18-hole golf course with consistent playing conditions that meet the demands of golfers.

Consistent with the Board's direction, the Department of Parks and Recreation is not pursuing additional potable water sources (i.e. State water, Nacimiento water, or other surface water sources). The Department continues to explore options for additional effluent and untreated non-surface water sources.

### **Golf Enterprise Fund and General Fund Support**

At the May 17, 2016 Board meeting, the Board authorized up to \$485,000 annually in General Fund support for the Golf program (Fund Center 427). The Enterprise fund will continue to contribute to the debt service payment. The Board also directed staff to reduce that amount as much as possible through revenue generating activities. The plan to address those activities is considered below.

The Department of Parks and Recreation recommends maintaining a \$300,000 cash balance in the Golf program. This is the minimum amount necessary to ensure operations for a full quarter, excluding debt service. The status of the cash balance will be monitored and reported quarterly to your Board. As part of the third quarter financial status report, a request to use General Fund contingencies will be submitted to fill any projected year-end gap in the cash balance up to \$300,000. The Department of Parks and Recreation estimates that we will likely not need to request General Fund

support during fiscal year FY 2016-17, but will likely need support in FY 2017-18.

#### **Short-term plan (to be completed by February 2017)**

The Department of Parks and Recreation plans to accomplish tasks within four months to prepare for the transition from a full 18-hole golf course to a smaller footprint golf facility with other park features. During this time, the entire 18-hole golf facility will remain open for play. In order to be in a good position to implement future activities on the current golf course property, the following tasks will be accomplished by February 1, 2017:

- Because of the need to transition away from an 18-hole operation within 12 months, the Department of Parks and Recreation will issue a 12 month termination of contract for convenience of the concession contract with Golden State Golf Company for Dairy Creek Golf Course and continue to negotiate a mutually agreeable cancellation date in the winter or spring of 2017.
- Transition golf course staff to temporary operation of the pro shop until a long term operational model is established.
- Develop a Request for Proposals to operate a restaurant with catering services at the clubhouse to commence upon cessation of existing Concession Contract.

#### **Medium-term plan (to be completed prior to June 2017)**

In conjunction with the long range plan below, we intend to begin further public workshops to determine public needs and desires for the entire park, including the current golf facilities. The first workshop will concentrate on the water issues since there was a lack of understanding among members of the public about water availability and delivery. Subsequent workshops will focus on community needs and what activities can best meet those needs while simultaneously increasing revenues to offset the bond debt associated with the existing golf course.

The Department of Parks and Recreation will consider implementation of reversible and removable features to improve revenue opportunities as quickly as possible. This includes active marketing of an event site on the existing driving range for events such as concerts, weddings, and corporate events. This could also include expansion of unique camping opportunities on portions of the existing golf course that don't require significant improvements, such as camping cabins placed on existing flat areas of tee boxes and tent camping on existing greens and fairways upon conversion of the back 9 holes from golf to other recreational activities including camping. As much of the front 9 holes as possible would be retained for a golf practice facility.

#### **Long-term plan (plan completed June 2017 with implementation over three to five subsequent years)**

The Department of Parks and Recreation feels that the best approach is to take a holistic view of the park and prepare a Master Plan to meet the community's needs within existing water availability constraints and with an eye towards revenue producing activities to improve cost recovery and replace the lost revenue from the golf course. Some opportunities to improve the financial situation are linked to how the rest of the park is used. For example, in order to increase the number of visitors to the clubhouse and therefore increase visibility of golf-related amenities and the restaurant, the camping check-in office could be co-located within that facility.

While Master Plans can take substantial time to complete, the focus of this plan will be to integrate the existing facilities, assess potential future uses, look at opportunities to modify areas to unify the park facilities and improve circulation, and evaluate consistency with the existing Botanical Garden's Master Plan. Since the potential environmental impacts of any activities considered will likely be less than or equal to that of the existing uses of the golf course and the golf course, Environmental Impact Report addresses the impacts of recreational use, the Master Plan could be completed in 2017, with a target of June of that year.

If direction from the Board is received to proceed with the Master Plan, staff will begin by developing a temporary advisory committee to assist in master planning to include representatives of the following stakeholders:

- Parks and Recreation Commission;
- Golf Community;
- Botanical Garden;
- Mountain Bike Community;
- Recreation users (softball, disc golf, dog park, hiking);
- Campers; and
- Public Works and/or Planning staff.

The first phase will begin immediately by scheduling public workshops to assess community engagement with the park and the overall needs of the community. This will lead to design alternatives that will consider cost, benefits and schedule. The second phase will be the writing of the Master Plan, cost estimates for each option, and schedules for implementation. This plan will be brought to the Board of Supervisors for final review and comment.

### **Botanical Garden**

The Botanical Garden is a partnership between the Department of Parks and Recreation and the Friends of the SLO Botanical Garden (Friends), a 501(c)(3) non-profit corporation whose goal is to develop a botanical garden to educate the public in the flora of Mediterranean climates around the world and drought-tolerant plant species. The County leases land to the Friends at no cost and provides water at no cost. The Friends operate and maintain the 150-acre site. The 99-year lease was entered into in 2006 so the Friends could implement their Master Plan and qualify for a broad array of funding opportunities.

The Friends raised significant funding over the years and made substantial improvements to the site that enhance El Chorro Regional Park. The County has assisted by providing funding for some projects, allowing free access to water, waiving permit fees, and providing ranger staff support. At the request of the Friends, the Board of Supervisors in 2011 approved the allocation of \$319,500 in Park Public Facilities Fees (PPFF) to be used for the completion of landscape and hardscape features in the Botanical Garden. A subsequent agreement was signed memorializing the terms of the agreement to complete the project by July 2012. The Friends later determined that there was insufficient funding to accomplish the project. The agreement was extended multiple times while the Friends attempted to raise additional funds. The agreement expired on December 16, 2015 with no work complete on the project.

Many, if not most, botanical gardens are supported financially by a parent organization that funds the ongoing operational costs while allowing the associated Friends group to focus on projects and programming. Typically, that parent organization is a governmental entity or an endowed foundation. Neither is the case at the SLO Botanical Garden. Other than no cost rent and no cost water, the Friends are responsible for all of their operational and capital costs.

Wishing to develop a sustainable financial model, the Friends approached the Department of Parks and Recreation in 2015 to approve a sub-lease with Latitude 35 to install and operate a zip line commercial adventure activity in the Botanical Garden to bring in needed revenue. The Department of Parks and Recreation reviewed the request and identified the following issues that need addressing prior to acting on the proposal:

- Deed restrictions on the property do not permit sub-leasing of the property;
- A zip line is outside the scope of listed activities approved by the Department of Interior in the deed application and requires Department of Interior approval;
- Lease with the County prohibits commercial business operation without consent;
- Lease with the County prohibits assignment or sublet of property without consent; and
- Botanical Garden Master Plan only allows for passive recreation (the zip line is active recreation).

The deed restrictions do allow the County to concession recreational services, so the Department of Parks and Recreation began negotiating with the Friends to see if there was a mutually agreeable solution for proceeding with some opportunity to have the County concession, through a Request for Proposal, for a zip line operation within the park that could have a financial benefit component for the Friends.

The Friends submitted a request on September 22, 2016 for the Board to approve and ratify a sublease with Latitude 35 for implementation of their proposed zip line project and consider the sublease an amendment to the existing lease between the County and the Friends.

Should the Board wish to consider approving a sublease, it would require a 4/5<sup>th</sup> vote and there are certain required actions that would need to occur prior to Board approval:

- The County would need to request and receive approval from the Department of the Interior to allow a sublease of the property currently leased to the Botanical Garden;
- The County would need to request and receive approval from the Department of the Interior to allow a zip line and associated recreational activities on the property;
- The Board would need to approve a revised Botanical Garden Master Plan that allows for active recreation;
- The Board would need to approve the use of County leased property for commercial purposes; and
- The Board could then approve the sublet of the property.

The Department of Parks and Recreation recommends that the County not proceed with approval of a sublease at this time. The use described by the Friends is a park concession not unlike many park concessions throughout the County Park System. The Department's concessions bring in revenue that reduces the need for additional General Fund support. The Friends' proposal continues the no rent status currently in place despite changing its use to a commercial activity. Since the Board has directed staff to address ways to reduce the General Fund support necessary, it would seem appropriate that the County should receive rent from this concession operation, just as it does from other County Park Concessionaires if the Board considers approving this proposal.

A zip line may be a desirable activity in the park. However, as described above, we feel that this is best determined by a public input process involving the community and all stakeholders through a Master Plan process. If it is determined that a zip line is a desirable activity, we know that there are at least two entities interested in pursuing that activity, so a Request for Proposal is the appropriate mechanism to determine the operator who can bring the best product to the community.

The County will likely need Department of Interior approval upon having a final Master Plan concept for the whole park; therefore, it would be beneficial to ensure consistency in any request(s) made to the Department of Interior by seeking their approval once the Master Plan is completed. Additionally, as a permanent feature, the proposed zip line would require a significant change to the Botanical Garden Master Plan that would in turn require the same type of community and stakeholder involvement as a Master Plan for the entire park. Therefore, coordination of the zip line concept within the Master Plan process would be the most efficient and effective way to proceed.

The need for a long term solution for the Botanical Garden's financial stability and the proposal for a zip line feature coupled with the issues related to Dairy Creek Golf Course, the rest of El Chorro Regional Park and the need for a financial solution to the bond debt for the golf course development lend further support to the concept of developing an overarching Master Plan for the entire park to consider how all of the features of the park can best leverage each other to be successful. For these reasons, the recommendation is to direct staff to include these concepts in a Master Plan consideration for the entire El Chorro Regional Park.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

The Department of Parks and Recreation has coordinated with the County Administration Office, County Counsel, and the Department of Public Works in addressing the issues with water and the financial viability of the golf program. The Department of Parks and Recreation has also coordinated with the California Men's Colony and the City of San Luis Obispo regarding the availability of recycled water. The Department of Parks and Recreation has had an ongoing involvement with the Friends of the SLO Botanical Garden regarding the zip line proposal since June 2015.

#### **FINANCIAL CONSIDERATIONS**

Approval of the recommendations will allow the Department of Parks and Recreation to keep Golf cash balance no lower than \$300,000 and develop a feasible plan to improve revenue to meet the bond debt payment requirements and address community park and recreation needs. If approved, the Department would use a combination of Parks Reserves, Parks operational funds and Golf operational funds to fund the Master Plan.

#### **RESULTS**

Maintaining a viable golf program and a more integrated park facility will provide affordable park and golf options for the residents of the County and will contribute to the Community Results of a healthy, livable and prosperous community by providing recreation, opportunities for social connections and support of the tourism economy of the County. Pursuing the recommended action also supports the following Department's Strategic Plan objectives:

- Objective 1.1 – Provide parks that offer diverse recreational opportunities for the community
- Objective 1.2 – Provide recreational opportunities at the County's Golf Courses
- Objective 1.3 – Provide sustainable parks and golf courses for the community
- Objective 2.1 – Ensure the recreation and health of the community
- Objective 2.2 – Ensure access and equity to our parks for all individuals

## **ATTACHMENTS**

1. Staples Golf Design Golf Course Assessment for Dairy Creek Golf Course
2. Staples Golf Design Supplemental Information
3. September 6, 2016 letter from California Men's Colony regarding effluent irrigation amounts
4. Cover Letter 9.22.16 from SLO Botanical Garden to Nick Franco
5. Proposed sublease submitted by Friends of SLO Botanical Garden
6. San Luis Obispo Friends of the SLO Botanical Garden Lease
7. Goals from San Luis Obispo Botanical Garden Master Plan
8. Deed from County Office of Education with Deed Restrictions
9. Department of Interior Application and Deed Restrictions for property now used for El Chorro Regional Park